



ENPI CBC Project Implementation in Belarus

A Guide to National Requirements in Belarus
relevant for the implementation of projects
financed under ENPI CBC Programmes

October 2011



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FOREWORD

In recent years, the implementation of ENPI CBC projects in Belarus has become a wide spread practice. In response to widening opportunities to combine their own and external resources provided by the EU as the leading donor in Belarus, more and more Belarusian organisations are participating in EU cooperation programmes and projects. The successful implementation of such projects requires advanced knowledge of relevant national and EU legislation, which could be challenging for beginners. Many Belarusian beneficiaries have little experience in project implementation and it takes them a lot of time to study all regulations and develop all the necessary skills, which can postpone the start of project implementation in Belarus.

Some guiding materials developed over the years by different national and international organisations are available in printed copies and via Internet. The TACIS National Coordinating Unit has already prepared materials with general descriptions of the legislative requirements for projects implemented in Belarus. This Guide is the first attempt to provide both legislative and practical recommendations and is based on the experience of the organisations and local authorities that have already implemented ENPI CBC or other EU grant projects in Belarus. Therefore, this Guide will be extremely useful both for beginners and for experienced organisations, both of which will be able to use the Guide as a handbook for daily project implementation.

Each year we observe an increase of the cooperation programmes where Belarusian Partners can participate. A lot of EU Beneficiaries need clear information about Belarusian regulations on project implementation. As this Guide is published in two languages, it will also be useful to EU Beneficiaries. It should give them the necessary answers and assist in understanding Belarusian regulations in a comprehensive way. Thus it will help to facilitate the cooperation between EU and Belarusian Partners on common initiatives.

*Dzmitry Berazouski, Executive Director of the National Coordinating Unit
for the European Union's TACIS Programme in Belarus.*



INTRODUCTION

Belarus participates in three programmes funded under the European Union's European Neighbourhood and Partnership Instrument Cross Border Cooperation (ENPI CBC)¹, Latvia-Lithuania-Belarus and Poland-Belarus-Ukraine ENPI CBC programmes and the Baltic Sea Region Programme.

As well as following ENPI CBC rules, ENPI CBC programme Beneficiaries² and Partners³ in Belarus will also need to meet a range of national requirements.

This Guide provides comprehensive information on national requirements and procedures to be followed in Belarus when implementing projects financed under the Poland-Belarus-Ukraine and Latvia-Lithuania-Belarus ENPI CBC Programmes and the Baltic Sea Region Programme. It complements guidelines on the ENPI CBC rules to be followed provided by these programmes.

The information in this Guide is based on the practical experience of national governmental bodies, regional and local authorities and NGOs in project implementation and financial management in Belarus.

This Guide will be particularly useful for ENPI CBC project Beneficiaries and Partners in Belarus. However it will also be helpful for ENPI CBC programme managers, ENPI CBC project Partners from outside Belarus and potential Applicants/Partners from inside and outside Belarus who need to understand what is required to implement projects in Belarus. Although designed for projects under ENPI CBC programmes, the Guide may also have information relevant for other international technical assistance programmes in Belarus.

¹ ENPI is the financing instrument for the EU's Neighbourhood Policy and its Strategic Partnership with the Russian Federation. Cross Border Cooperation (CBC) is a key priority under ENPI and aims to reinforce cooperation between EU member states and Partner Countries along the external borders of the European Union For more information on ENPI CBC see http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index_en.htm

² The project Beneficiary (Lead Partner) is the organisation which signs the grant contract with the ENPI CBC programme Joint Managing Authority (or Managing Authority in the Baltic Sea Region programme)

³ Project Partners are the organisation/s which contribute to the implementation of the project as described in the project grant contract

HOW TO USE THIS GUIDE

The Guide focuses on two phases of the project cycle: Implementation, and evaluation and audit. It covers the following steps, with a number of relevant topics, in regard to national regulations and the experience of Belarusian organisations in implementing international projects:

- Project approval and registration;
- Project start-up and implementation; and
- Project audit and reporting.

Throughout the Guide, you will find references to a variety of legislative acts and forms, most important of which are provided in the Annexes to the Guide (Part 4). Other relevant documents can be found on the websites of the official bodies of Belarus. Links to these documents are provided throughout the Guide.

The Guide is designed to be a reference manual with users being able to find practical support on particular topics when it is needed.

The information in this Guide is focused on requirements in Belarus. The ENPI CBC requirements and procedures to be followed can be found in the relevant programme implementation manuals.



ACKNOWLEDGEMENTS

This manual is produced by the Regional Capacity Building Initiative (RCBI)⁴, an EU project designed to support participation by Belarus, other Partner Countries⁵ and Russia in the ENPI CBC Programmes.

RCBI activities include information activities and training workshops in Belarus, other Partner Countries and Russia for the development of project proposals. Other activities such as Partner Search Forums and support for the management and implementation of projects also include Member States and other participating countries as they are for the benefit of all Partners.

The manual was written by Ivan Shchadranok, a lawyer with six years of practical experience in implementing CBC projects in Belarus. Useful input was also given by RCBI expert for Belarus, Georgui Baranets, Team Leader, Veronica Vann and Key Expert, Karine Leroy.

We are very grateful to Janis Aizsalnieks, Coordinator for Operations and Vladislav Mikhnevich, Project Officer, for the European Union Delegation to Belarus for their review of the Guide, to Ivan Belchik, the Head of Department for Cooperation with International Organisations and Coordination of Technical Assistance in the Ministry of Economy for his comments, to Dzmitry Berazouski, the Executive Director of the National Coordinating Unit for the European Union's TACIS Programme for the foreword to this Guide and to his team members, Vladimir Belitski and Yauhen Adzinets for their comments.

Thank you also to representatives of the Latvia-Lithuania-Belarus, Poland-Belarus-Ukraine, and Baltic Sea Region programmes and project practitioners in Belarus who provided additional useful insights and comments, in particular to the following:

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⁴ For more information on RCBI see the project website www.rcbi.info

⁵ Armenia, Belarus, Georgia, Rep. of Moldova and Ukraine in ENPI East and Egypt, Israel, Jordan, Lebanon, Palestinian Territories, Syria and Tunisia in ENPI South.





Part 1

Project approval and registration



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★ Introduction

Belarusian Beneficiaries (Lead Partners) or Partners who obtain project funding in the framework of an ENPI CBC programme should go through official approval and registration procedures according to Belarusian national requirements. These procedures are obligatory for all projects regardless of the number of activities and size of the financial grant. Generally they include three main stages:

- Approval of the project by the Commission on International Technical Cooperation under the Council of Ministers
- Registration of the project in the Ministry of Economy
- Approval of the List of goods, works and services provided for implementation of the international technical assistance projects (programmes)

Project Beneficiaries/Partners should consider the procedures as the legal basis for project implementation, obtaining tax exemptions, using subcontractors and cooperating with banks, project Partners and stakeholders, and not just as a formal issue. The Grant contract with the respective programme Joint Managing Authority (Managing Authority for the Baltic Sea Region programme), and the set of approval and registration documentation are the minimum each Beneficiary/Partner in Belarus will need for a trouble-free start-up for their project.

Legal framework

- 1) Decree of the President No. 460 "On International Technical Assistance provided to the Republic of Belarus" October 22, 2003 (with amendments by Decrees of the President of the Republic of Belarus No. 382 17 August 2005; No. 134 5 March 2010).
- 2) Resolution of the Council of Ministers No.1522 "On Certain Measures Aimed at Implementing the Decree No. 460 of the President of Belarus 22 October 2003" 21 November 2003 approving "Regulation on the Procedure of Preparation, Consideration and Approval of the International Technical Assistance Projects (Programmes), as well as Lists of Goods (Property, Including Monetary Means), Works and Services Provided for Implementing Those Projects (Programmes)" (with amendments following Resolutions by the Council of Ministers No. 402 16 April 2005, No. 1027 15 September 2005, No. 203 19 February 2007, No. 456 27 March 2010).
- 3) Regulation of the Ministry of Economy of the Republic of Belarus No. 86 "On Preparation of the Projects (Programmes) Applications and Brief Descriptions (Characteristics) by beneficiaries of International Technical Assistance" 11 May 2005.
- 4) Regulation of the Ministry of Economy of the Republic of Belarus No. 86 "On Setting an Application Form for the Registration of an International Technical Assistance Project (Programme), and on Nullifying Regulations of the Ministry of Economy of the Republic of Belarus" 12 May 2010.
- 5) Ordinance of the Ministry of Economy of the Republic of Belarus No. 85, approving "Instruction on the Procedure for the Registration of International Technical Assistance Projects (Programmes) in the Republic of Belarus" 6 July 2010.
- 6) Regulation No. 82 of the Ministry of Economy "On the Form of the List of Goods (Property, Including Monetary Means), Works and Services, Provided for Implementing the International Technical Assistance Projects (Programmes)" 4 May 2010.

1. PROJECT APPROVAL

★ Overview

Types of projects and the corresponding approval procedures

The Resolution of the Council of Ministers No.1522 with the amendment of 2010 distinguishes between three types of projects from the point of view of approval procedures:

- Type 1. Project proposals included in the National Programme of International Technical Cooperation (ITC). These projects do not need to pass approval procedures; they only need to be registered in the Ministry of Economy
- Type 2. Projects realised through the method of national implementation as well as mini-projects. These projects need to be approved by the Decision of the Commission on International Technical Cooperation under the Council of Ministers
- Type 3. Projects to be approved through a Resolution by the Council of Ministers

Classification criteria for the different project types

- **Projects included as project proposal into National ITC Program** are considered to be approved and only subject to registration in the Ministry of Economy if they do not make any change in: 1) aims of the project, 2) objectives of the project, and 3) do not need national co-financing from national or local budgets.
- **Projects realised through the method of national implementation:** The project application should verify that the Belarusian organisation is a Beneficiary of the project, will receive the total amount of the EU financing into its bank account or get equipment/supplies in its ownership (e.g. when the Beneficiary, being the Lead Partner of the project, receives and manages finances and goods, and distributes them among other Partners).
- **Mini-projects:** (1) Implementation period is not more than one year, and (2) the total amount of finance and goods which the Beneficiary/Partner will receive should not exceed 3000 times the base value (the amount of the base value is officially published on the web-page of the Ministry of Taxes and Duties of the Republic of Belarus: <http://www.nalog.by/reference/sprav/basevalue.html>).

Projects that do not correspond to the above criteria are considered to be projects that need approval by the Resolution of the Council of Ministers.



Practical tips

- ☞ To clearly identify the type of your project, contact the staff of the Department for Cooperation with International Organisations and Coordination of Technical Assistance in the Ministry of Economy. Address: 14 Bersona street, Minsk, 220050. Tel. +375 (0) 17 200-46-81, e-mail: minec_317@economy.gov.by
- ☞ The inclusion of the Type 1 projects into the National Programme of International Technical Cooperation should be realised before the submission of the project application to an ENPI Programme call. Thus this procedure is not recommendable for the projects already approved for financing in the frame of ENPI programmes.
- ☞ To get the project proposal included into the National Programme of International Technical Cooperation (Type 1) please submit the description of the project proposal using the form (see Annex No.2) to the Department for Cooperation with International Organisations and Coordination of Technical Assistance in the Ministry of Economy.

★ **Practical info**

Approval of the projects realised through the method of national implementation as well as mini-projects (Type 2).

<i>Approval body</i>	Commission on International Technical Cooperation under the Council of Ministers.
<i>Contact body, contact details</i>	Department for Cooperation with International Organisations and Coordination of Technical Assistance of the Ministry of Economy. Address: 14 Bersona street, Minsk, 220050. Tel. +375 (0) 17 200-46-81. E-mail: minec@economy.gov.by
<i>List of documents to be submitted</i>	<ol style="list-style-type: none"> 1) Application for the registration of the international technical assistance project (programme) in accordance with a form provided by the Ministry of Economy (please see Annex No.1) 2) Original document or a duly certified copy of the project application, as well as translation of the original document into Belarusian or Russian 3) Description (characteristics) of the project (programme) in accordance with a form provided by the Ministry of Economy in 4 copies (please see Annex No.2) 4) Lists of goods, works and services provided for implementation of international technical assistance projects (programmes) in 4 copies (please see Annex No.3) 5) Copy of the agreement with the bank which verifies that a special bank account has been opened where the EU grant will be deposited
<i>Documents to be received</i>	<ol style="list-style-type: none"> 1) Extract from the Minutes of the meeting of the Commission on International Technical Cooperation under the Council of Ministers of the Republic of Belarus, containing the information on approval of the project 2) The original document or a duly certified copy of project application in English and Belarusian or Russian with the registration stamp of the Department for Cooperation with International Organisations and Coordination of Technical Assistance of the Ministry of Economy

Links to forms	<ul style="list-style-type: none"> • http://www.economy.gov.by/ru/f_economic/mezhdunarodnoe_tahnicheskoe_sotrudnichestvo • http://cu4eu.net/ru/infomat/recommend/
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Approval of projects through a Resolution by the Council of Ministers (Type 3)

Step I. Obtaining a report of the Ministry of Foreign Affairs on whether the project meets the national interests of the Republic of Belarus	
Contact body, contact details	Ministry of Foreign Affairs of the Republic of Belarus. Main Department for Europe. +375 (17) 227–37–38. E-mail: eu-tacis@mfa.gov.by
List of documents to be submitted	<ol style="list-style-type: none"> 1) Cover letter 2) Description (characteristics) of the project (programme) in accordance with a form provided by the Ministry of Economy (please see Annex No.2) – not obligatory 3) Original or a duly certified copy of the project application in English with translation into Belarusian or Russian
Documents to be received	Report of the Ministry of Foreign Affairs of the Republic of Belarus confirming that the international technical assistance project complies with the national interests of the Republic of Belarus
Useful links to required forms	<ul style="list-style-type: none"> • http://cu4eu.net/ru/infomat/recommend/ • http://www.economy.gov.by/ru/f_economic/mezhdunarodnoe_tahnicheskoe_sotrudnichestvo/information-submission-documents-for-approval-by-cm

Practical tips

- ☞ If you have difficulties substantiating that your project complies with the national or regional strategies you might contact the Coordinating Unit for the European Union's TACIS Programme. The staff of the unit can provide you with some suggestions on how to do it correctly. You can also use those parts of your project application form which describe the reference to national and regional development programmes.
- ☞ In some cases the Ministry of Foreign Affairs accepts a duly certified copy of the project application in English without its translation into Belarusian or Russian. Please consult the contact body in case you would like to start the procedure without proper translation of the application form.
- ☞ The submission of the Description (characteristics) of the project (programme) is not obligatory, but will be very helpful for the Ministry of Foreign Affairs to take the decision faster.
- ☞ Please note that the description (characteristics) of the project (Annex No. 2) will be used in further approval and registration procedures. Thus, it is very important to provide correct information in the form to avoid irregularities in further steps. To avoid any mistakes in filling in the description (characteristic) please find relevant recommendations of the Ministry of Economy using the link mentioned above.

- ☞ In section 12. "The amount of financing" in the project description (characteristics) you should indicate: 1) total amount of project budget, 2) total amount of project budget foreseen for the Belarusian Partners, 3) the amount of project budget for Belarusian Partners, which will be financed from EU grant (excluding co-financing). In the second part of the p.12 under "Name of the expenditure items" indicate only the amounts foreseen for Belarusian Partners: EU financing in column "Donors", co-financing of Belarusian Partners in column "Own means".
- ☞ There are examples of project description (characteristics) available on the web-site of the Ministry of Economy. Please visit the web-site mentioned above and study the examples before filling in your own project description.
- ☞ For the budgetary organisations (organisations financed from the state, regional or local budget) special decision of the local council of deputies is needed. This decision is needed for approval of the co-financing to be provided by the Beneficiary/Partner to the project.

Step II. Drafting of the Regulation of the Council of Ministers

<p>Contact body, contact details</p>	<p>For state owned legal persons, a superior central government body For local authorities and non-state legal persons, Regional executive committees and Minsk City Executive Committee (Foreign Economic Activity Departments), depending on the place of their state registration</p> <ul style="list-style-type: none"> • Brest Regional Executive Committee: www.brest-region.by • Gomel Regional Executive Committee: www.gomel-region.gov.by • Grodno Regional Executive Committee: www.grodno-region.gov.by • Minsk City Executive Committee: www.minsk.gov.by • Minsk Regional Executive Committee: www.minsk-region.by • Mogilev Regional Executive Committee: www.region.mogilev.by • Vitebsk Regional Executive Committee: www.vitebsk-region.gov.by
<p>Documents</p>	<p>The Partner and the contact body should prepare the following documents to be submitted to the Commission on International Technical Cooperation under the Council of Ministers:</p> <ul style="list-style-type: none"> • Draft decision of the Council of Ministers (please see Annex No.4) • Explanation of the necessity of the adoption of the draft decision; • Financial and economic justification in accordance with a form provided (please see Annex No.5) • Statement of approval of the draft decision • List of contact persons involved in the development of the draft decision • Report of the Ministry of Foreign Affairs on whether the international technical assistance project complies with national interests • Description (characteristics) of the international technical assistance project in 4 copies (please see Annex No.2) • Original or a copy duly certified by Beneficiary/Partner of the project application and its translation into Belarusian or Russian

Practical tips

- ☞ Coordinate the number, content and style of the documents with the responsible persons of the contact bodies.
- ☞ Identify a responsible person of your organisation who will be lobbying the project at the session of the Commission on International Technical Assistance under the Council of Ministers.
- ☞ In cases where the Partner is sure that the sums and positions of the project budget will stay unchanged after the Beneficiary signs the grant contract, it is recommended to submit the list of goods, works and services provided for implementation of the project already at this step.

Step III. Approval of the project by the decision of the Commission on International Technical Cooperation under the Council of Ministers of the Republic of Belarus with further Resolution of the Council of Ministers.

Contact body	Commission on International Technical Cooperation under the Council of Ministers of the Republic of Belarus
List of documents to be submitted	<p>The Partner and the contact body should prepare the following documents to be submitted to the Commission on International Technical Cooperation under the Council of Ministers:</p> <ol style="list-style-type: none"> 1) Draft decision of the Council of Ministers (please see Annex No.4) 2) Explanation of the necessity of the adoption of the draft decision 3) Financial and economic justification in accordance with a form provided (please see Annex No.5) 4) Statement of approval of the draft decision 5) List of contact persons involved in the development of the draft decision 6) Report of the Ministry of Foreign Affairs on whether the international technical assistance project complies with national interests 7) Description (characteristics) of the international technical assistance project in 4 copies (please see Annex No.2) 8) Original or a duly certified copy of the project application and its translation into Belarusian or Russian
To be received	Resolution of the Council of Ministers on approval of the project

Practical tips

- ☞ Prepare a short presentation of the project to be made during the Commission Meeting. It might be a good idea to present the practical part and the outputs of the project as well as to demonstrate substantial benefits for Belarus and/or your region. This presentation should be prepared in coordination with the lobbying person of your organisation which will present the project at the session of the Commission on International Technical Assistance under the Council of Ministers.
- ☞ After the project is approved by the Council of Ministers it should be obligatory registered at the Ministry of Economy of the Republic of Belarus. Please see below title 2 of this guide on project registration.



2. PROJECT REGISTRATION

★ Practical info

After the project has been approved by the decision of the Council of Ministers, it should be registered by the Ministry of Economy.

<i>Contact body contact details</i>	Department for Cooperation with International Organisations and Coordination of Technical Assistance of the Ministry of Economy. Address: 14 Bersona street, Minsk, 220050. Tel. +375 (0) 17 200-46-81. E-mail: minec@economy.gov.by
<i>List of documents to be submitted</i>	<ol style="list-style-type: none"> 1) Application for the registration of the international technical assistance project (programme) in accordance with the form provided (please see Annex No.1) 2) Original document or a duly certified copy of the project application, as well as translation of the original document into Belarusian or Russian 3) Description (characteristics) of the project (programme) in accordance with a form provided by the Ministry of Economy (please see Annex No.2)
<i>List of documents to be submitted for registration of changes in the project application</i>	<ol style="list-style-type: none"> 9) Application for the registration of the changes into the international technical assistance project (programme) in accordance with the form provided (please see Annex No.1) 10) Description (characteristics) of the project (programme) in accordance with a form provided by the Ministry of Economy, which reflects all the changes made in the project application (4 copies) 11) Documents verifying that the changes were accepted by the donor (the Programme Joint Managing Authority) 12) In cases of the prolongation of the project implementation period, additionally: <ul style="list-style-type: none"> • Project implementation report (please see Annex 6) • Detailed activities plan for the prolongation period • Justification of the necessity of changes made in the project application
<i>To be received</i>	<ol style="list-style-type: none"> 1) The original document or a duly certified copy of project application in English and Belarusian or Russian with the Department's registration stamp 2) Description (characteristics) of the project with the Department's registration stamp

Practical tips

- ☞ *It might be a good idea to register your project after the grant contract with the Programme Joint Managing Authority is signed, the final version of the budget is adjusted, and exact deadlines for project implementation are clarified.*
- ☞ *In cases where the project is extended or there are substantial changes to the project application (e.g. additional activities, additional financial means or prolongation of the project implementation period), these changes should also be registered in the Ministry of Economy not later than 10 days after their approval by the programme Joint Managing Authority.*
- ☞ *The project should pass new approval and registration procedures when the changes in project application affect project aims and objectives or alter the total sum of the initially planned financial means by more than 25%.*



3. THE LISTS OF GOODS, WORKS AND SERVICES PROVIDED FOR PROJECT IMPLEMENTATION

★ Overview

The List of goods, works and services provided for the implementation of the international technical assistance project (further List of goods) is one of the most important documents for Belarusian Beneficiaries (Lead Partners) and Partners and their subcontractors. This document is the basis for tax exemption, tax and customs free import of goods for project implementation, supply of works without VAT etc. according to the Decree of the President No. 460.

The list is to be submitted either by the Beneficiary/Partner or by the supplier:

- At the stage of the project approval, or
- during the project implementation period, or
- not later than 40 days after the project finalisation date (as specified on the registration stamp of the Ministry of Economy).

★ Practical Info

<i>Contact body, contact details</i>	Department for Cooperation with International Organisations and Coordination of Technical Assistance of the Ministry of Economy. Address: 14 Bersona street, Minsk, 220050. Tel. +375 (0) 17 200-46-81. E-mail: minec@economy.gov.by
<i>List of documents to be submitted</i>	<ol style="list-style-type: none"> 1) Application letter (no form or template specified); 2) Lists of goods, works and services provided for implementation of the international technical assistance projects in 4 copies (please see Form No.3 in Annexes) 3) Justification of the list of goods (short description of financial means, goods and works with regard to the project activities and results) 4) Copies of documents certifying that the Beneficiary/Partner or the supplier has been assigned a tax identification number 5) Copy of the supply contract or the grant contract, with reference to the registered project, if applicable
<i>Documents to be obtained</i>	<ol style="list-style-type: none"> 1) Extract from the Minutes of the meeting of the Commission on International Technical Cooperation under the Council of Ministers, containing the information on approval of the List 2) List of goods, works and services provided for the implementation of the international technical assistance project, with stamp of the Ministry of Economy

**Practical
tips**

- ☞ Generally the approval procedures for the List of goods can take several months. When the Beneficiary/Partner is sure that the sums and positions of the project budget will stay for the most part unchanged during the ENPI CBC grant contracting procedures, it is recommended to submit the List of goods already at the stage of the project approval;
- ☞ When the Beneficiary/Partner cannot prepare the Lists of goods there is a possibility to provide it at the stage of project registration in the Ministry of Economy, after the project has been approved and the grant contract with the Programme Joint Managing Authority has been signed;
- ☞ According to ENPI CBC programmes rules VAT is not eligible expenditure if it can be recovered. So for the Belarusian Partners it is very important to apply for List of goods at the stage of project approval;
- ☞ The list should include exact quantity and costs of the goods and funds acquired in the course of the international technical assistance project;
- ☞ The more detailed your list is, the easier it will be for you to get exemption from taxes and custom duties in the course of project implementation;
- ☞ General positions (such as Administrative costs) are not acceptable and should be divided into specific positions;
- ☞ In the List of goods you should only indicate those funds which will be financed/transferred, in any form, to your organisation; no own co-financing should be mentioned.
- ☞ The costs cannot exceed sums specified in the respective list positions; smaller costs are allowed;
- ☞ If you need to create new positions or to increase costs for existing positions, you should introduce corresponding changes to the List of goods and submit it for registration to the Ministry of Economy.





Part 2

Project start up and implementation



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4. THE LEGAL STATUS OF THE ENPI CBC PARTNERSHIP AGREEMENT: IMPORTANT PROVISIONS FOR BELARUSIAN BENEFICIARIES AND PARTNERS

★ Overview

Legal status of the project partnership is one of the most problematic issues for Belarusian Partners, especially when they have the role of Beneficiary (Lead Partner) in the project and manage the project finances. The Grant contract with the programme Joint Managing Authority is based on EU regulations and, as a result, it is not always accepted by Belarusian banks and respective state bodies as one of the main documents for project implementation.

★ Practical Info

However, some Belarusian Beneficiaries which have previously implemented international projects have modified the partnership agreement template proposed by programme bodies and organised a partnership in the form of a “Common Activity Agreement” under the Art. 911 – Art. 923 of the Civil Code of Belarus.

By signing partnership agreement, the Beneficiary commonly shares its liability to the ENPI CBC programme with all project Partners. In the partnership agreement, the Beneficiary and other project Partners define the rules of procedures for the activities to be carried out and the relations that shall govern them within the partnership set up in order to complete the project. The Agreement does not constitute a legal person, but a legal partnership, which should be registered in the taxation office of the Belarusian Beneficiary. In accordance with the Belarusian legislation (Articles 13, 65 of the Tax Code of the Republic of Belarus), common activities agreements are referred to as separate taxpayers and must be registered in the local Tax Authority not later than 10 days after such an agreement has been signed. After registration, the provisions of the agreement are the juridical basis for the shared liability, transfer of financial means and goods, distribution of the project results, and regulation of the property rights on the project outputs among the Partners (including non-residents of the Republic of Belarus).

Generally, the agreement consists of two main parts:

Part I. General conditions (subject of the agreement, duration of the agreement, financial and organisational contribution by Partners, obligations and responsibilities of all Partners on implementation of the project activities, organisational structure of the partnership, cooperation with third parties, budgetary and financial management, accounting principles, procedures for modification of the work plan and budget reallocation, procedures for monitoring, evaluation, reporting and audit, dissemination of the project outcomes, information and publicity



measures, confidentiality rules, ownership on intellectual property rights, modification and withdrawal procedures).

Part II. Special conditions for each Partner (list of activities to be implemented by the Partner, exact indication of funds and goods to be received by the Partner, procedure for the receipt of payments and goods, the list of required documents for the receipt of payments and accountability to the Beneficiary, forms and content of financial documents to be provided by the Partner, the Partner's liabilities for the return of unspent funding to the Beneficiary.

You may find models of partnership agreements on the following programme websites:

- Baltic Sea Region: <http://eu.baltic.net/Contracts.4671.html>
- ENPI CBC Latvia-Lithuania-Belarus: http://www.enpi-cbc.eu/go.php/eng/2nd_call_actual/551
- ENPI CBC Poland-Belarus-Ukraine (only assumptions for the partnership agreement): <http://www.pl-by-ua.eu/en,4>



5. INTERNAL ORDERS

★ Practical Info

To ensure smooth project implementation, Belarusian Beneficiaries (Lead Partners) and Partners might need to adopt several internal orders, which will be used in their daily cooperation with state authorities, taxation office, state controlling and monitoring bodies, as well as during the project audit:

- Order on the appointment of the project manager/coordinator (name of the project manager, his or her signatory authority i.e. to sign project financial documents and correspondence with ENPI CBC programme, other responsibilities);
- Order on the appointment of the financial manager (name of the project financial manager, his or her scope of work and responsibilities);
- Order on the appointment of the project experts (names of experts, scope of their responsibilities in the project, preliminary number of working days to be worked in the project, sources of financing for their salaries);
- Order on project accounting, including human resources and direct administrative costs.

Practical tips

- ☞ *There is no need for an order on the appointment for the project experts to be employed on the basis of Independent contractor agreement. This type of employment does not require any changes in the staffing table of the organisation.*
- ☞ *You need to make corresponding changes in the staffing table of your organisation in case new experts are employed on the basis of labour contracts. The staffing table should include the position, name and salaries rates of these new experts.*

6. OPENING A BANK ACCOUNT

Legal framework

- 1) Resolution No. 40 of the Board of the National Bank "On opening of bank accounts" 3 April 2009
- 2) Resolution No. 283 of the Board of Directors of the National Bank "On Accounting at Banks in the Republic of Belarus" 19 September 2005

★ Practical Info

<i>Contact body, contact details</i>	<ol style="list-style-type: none"> 1) Non-state organisations can open an account in any Belarusian bank 1) State organisations and institutions, regional and local authorities can open an account only in state owned banks (e.g. Belarusbank)
<i>List of documents to be submitted</i>	<ol style="list-style-type: none"> 1) Application for the opening of an account 2) Copy of the organisation's statute (for non-governmental organisations) 3) A card with signature samples of individuals authorized by the legal entity to sign documents for the settlement of accounts, as well as a seal impression 4) An order for the opening of an account (for state-financed organisations)
<i>Account type</i>	<ol style="list-style-type: none"> 1) Regular foreign currency account (for non-state organisations) 2) Accounts of Group 364 "Other assets of recipients of budgetary funds on demand (passive account)" (obligatory for governmental organisations and institutions)

Practical tips

- ☞ *Some banks recommend Beneficiaries/Partners to open charitable accounts for project. Please inform the bank and assure bank staff that this type of account is not acceptable for the international technical assistance project financial means. You need standard foreign currency bank account.*
- ☞ *You might want to open an account with a client-bank service and give an access code to the Beneficiary's project financial manager.*

7. RECEIVING AND TRANSFERRING MONEY INTO AND OUTSIDE OF BELARUS

Legal framework

- 1) Law of the Republic of Belarus No. 226-3 "On Currency Regulation and Currency Control" 22 July 2003
- 2) Resolution of the Board of the National Bank No. 72 approving "Rules of Conducting Currency Operations" 30 April 2004
- 3) Decree of the President No. 178 "On Order of Performing and Control over Foreign Trade Operations" 27 March 2008

★ Overview

All transfers into and out of Belarus are subject to currency control. The bank that provides services is a currency control agent. It has a right to collect documents, explanations, certificates and data on currency transactions. There are three main rules for money transfer:

- Belarusian Beneficiaries (Lead Partners) and Partners must submit supporting documents explaining the aim of the incoming transaction in foreign currency to the bank within 7 days from the date the money was received from the Joint Managing Authority or foreign project Partner to their account
- Transfer of financial means from Belarusian Beneficiary/Partner to Belarusian Partner or subcontractor can be made only in Belarusian roubles. There are no special requirements for transfers of grant finances in Belarusian roubles, general procedures are applicable
- Documents which certify the aim of the transfer to your Partner or supplier residing outside of Belarus must be submitted before the transaction of finances to your foreign Partner

★ Practical Info

Contact body, contact details

Bank where the project account is opened.



Documents	<p>The lists of documents that could be requested by the bank are the following.</p> <p>For incoming transfers from:</p> <ul style="list-style-type: none">• The Joint Managing Authority if you are a Beneficiary (Lead Partner),• Foreign Beneficiaries when you are a Partner, <p>and for outgoing transfers from:</p> <ul style="list-style-type: none">• The Belarusian Beneficiary to foreign Partners,• The Belarusian Partner to foreign Beneficiary (to recover funds for ineligible costs or advance payment for activities not completed) <ol style="list-style-type: none">1) Copy of the project, approved by the Council of Ministers and registered in the Ministry of Economy2) Copy of the partnership agreement, duly signed3) Copy of List of goods, works and services provided for implementation of the project <p>For outside transfers from the Belarusian Beneficiary/Partner to foreign subcontractors or suppliers:</p> <ol style="list-style-type: none">1) Copy of supply or service agreement2) Supply documentation or act on work completion3) Other relevant documentation
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Practical tips

-  *The Partnership Agreement should contain the detailed procedures and indicate the documents that will be used to transfer money to the Beneficiary (Lead Partner) in Belarus or to the project Partner(s) outside of Belarus, as well as procedures for the return of unspent or ineligible funding from the Belarusian Partner to the Beneficiary abroad.*
-  *While making a transfer (reallocation of the grant) from a Beneficiary outside Belarus to a Belarusian Partner, a corresponding letter accompanying the transfer might be issued by the Beneficiary to justify this reallocation. Such letter will be useful for operations with your bank.*
-  *When money is transferred from the Belarusian Beneficiary to Partners residing outside of Belarus, it is important to explain in the bank that no foreign trade operation is taking place and that the aim of the transfer is "reallocation of the grant amounts between project Partners in the framework of the international technical assistance programme and partnership agreement".*
-  *In order to limit currency exchange rate differences you might keep the grant finances within the Euro bank account and make Euro - Belarusian roubles conversion concurrently with transactions to Belarusian Partners or suppliers.*
-  *The grant financial means of the Beneficiary/Partner obtained within the frame of the international technical assistance project are not subject to the obligatory foreign currency selling required by the Decree of the President of the Republic of Belarus №452 "On obligatory foreign currency selling" July 17, 2006.*



8. FOREIGN CURRENCY EXCHANGE

★ Overview

There are no special national regulations concerning currency exchange for Belarusian Beneficiaries (Lead Partners) and Partners. Generally, for payments in Belarusian roubles (BYR) the Beneficiary's accountant should exchange a certain amount of Euro into BYR and transfer the BYR amount to the account in roubles. In this case, two documents should be submitted to the bank: an order for the exchange of a particular amount of Euro, and a payment order (order for the payment of a certain amount in BYR to the supplier from the account in BYR).

★ Practical Info

However, you might have difficulties in reflecting exchange rates in the internal and project bookkeeping, as three exchange rates are applicable for accounting procedures:

- The currency exchange rate of the bank where project accounts are opened. This is the rate used for exchanges from the Euro account to BYR accounts.
- The National Bank currency exchange rate (www.nbrb.by). The Belarusian bookkeeping system requires that all transactions and bookkeeping should be denominated in Belarusian roubles, therefore there is a necessity to record the grant money received and paid in Euro in the internal bookkeeping of the Belarusian Beneficiary. In this case, exchange rates of the National Bank should be used.
- The European Commission exchange rates (<http://ec.europa.eu/budget/inforeuro>) which are applicable for all project transactions. Exchange rate losses deriving from the differences in national currency exchange rates and rates indicated by the European Commission cannot be covered by the ENPI CBC Programme grant funds.

Bookkeeping of the exchange rates differences between bank rates and National Bank rates is to be made according to the Decree of the President No. 15 *"On Valuation Order of Property and Liabilities by Changing of the Foreign Currencies Exchange Rates of the National Bank and Reflecting of the Exchange Rates Differences in Bookkeeping"* 30 June 2000.

Exchange rates differences that occur in the accountancy of organisations financed from the state budget should be allocated to the increase or reduction of their sources of financing, and further negative differences should be written off to the increasing of their expenditure.

Exchange rates differences that occur in the accountancy of organisations financed from sources other than the state budget should be allocated to the increase or reduction of their income and expenditure, and further negative differences should be written off to the increasing of their expenditure.



There are no national legal regulations for exchange rates differences. Thus, according to the EU regulations, all negative exchange rates differences should be financed by the Belarusian Beneficiary. From the point of view of Belarusian regulations, these financial means are considered to be an increased co-financing of the project and should be recorded in the bookkeeping correspondingly.



9. TAX EXEMPTION - VAT, INCOME TAX AND CUSTOMS DUTIES

Legal Framework

- 1) Decree of the President of the Republic of Belarus No. 460 "On International Technical Assistance provided to the Republic of Belarus" dated October 22, 2003;
- 2) Tax Code (special part) dated December 29, 2009 (art. 94, 116, 128, 163)

★ Overview

The following elements of international technical assistance are not subject to taxation:

- Goods brought into the customs territory of Belarus purchased from the means and (or) to be obtained (already obtained) as international technical assistance for the purposes of the project are exempt from VAT, excise, and customs duties
- Financial resources, including those in foreign currency, and other assets (including fixed assets, material assets, intangible assets) are exempt from profit tax
- Revenue from transactions related to the provision of goods (works, services) acquired by the supplier for the international technical assistance project and (or) Beneficiary of the project on the territory of the Republic of Belarus, as well as further gratuitous transfer of such goods according to the aims of the project are exempt from VAT, as well as from local taxes and duties
- Property acquired with resources provided by international technical assistance, or obtained as international technical assistance is exempt from property tax during the period this property is utilised for the project purposes
- Revenue acquired by physical persons from the resources of international technical assistance is exempt from personal income taxes

Practical tips

- ☞ VAT, Income Tax and customs duties exemptions are not applicable in case a Belarusian organisation finances the project activities, purchases goods, works, services, pay salaries to the project staff members from its own means which are its co-financing to the project budget.
- ☞ Note that for grant contracts signed under PraG 2010 non-reclaimable taxes may be considered as co-financing by the Beneficiary/Partner in the project budget. Check with your ENPI CBC programme in case of doubt.



★ **Practical Info**

VAT exemption

<i>Exemptions</i>	<p>The following elements of international technical assistance are not subject to VAT:</p> <ul style="list-style-type: none"> • Goods brought into the customs territory of Belarus purchased from the means and (or) to be obtained (already obtained) as international technical assistance for the purposes of the project • Revenue from transactions related to disposal of goods (works, services) acquired (accomplished, rendered) by the supplier of the goods (works, services) for the international technical assistance project and (or) Beneficiary of the project on the territory of the Republic of Belarus, as well as further gratuitous transfer of such goods according to the aims of the project
<i>Exemption conditions</i>	<ul style="list-style-type: none"> • The project has to be approved by the Council of Ministers and registered in the Ministry of Economy • You will need a list of goods, works and services for the international technical assistance project. The list has to be approved by the Commission on International Technical Assistance under the Council of Ministers. You will also need the Commission's meeting minutes
<i>Contact body</i>	<p>Inspection of the Ministry of Taxes and Duties, depending on the place of state registration of the supplier (documents for exemption from VAT are submitted by the goods supplier). The recipient has to prepare the required documents</p>
<i>Documents</i>	<p>List of documents to be submitted to the contact body:</p> <ol style="list-style-type: none"> 1) Copy of the Extract from the Minutes of the meeting of the Commission on International Technical Cooperation under the Council of Ministers of the Republic of Belarus, containing the information on approval of the List of goods, works and services provided for implementation of the project 2) Copy of the list of goods, works and services provided for implementation of the international technical assistance project 3) Copy of the contracts with suppliers reflecting amounts (excluding taxes) and a reference to the title, number, and date of registration of the project in the Ministry of Economy 4) Copies of accounting documents confirming that the goods have been issued or services rendered

Income Tax exemption

<i>Applicable to:</i>	<p>The following elements of international technical assistance are exempt from income tax:</p> <ul style="list-style-type: none"> • Revenue acquired by physical persons (including foreign physical persons) from the resources of international technical assistance, in this case, the ENPI CBC programme grant.
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<p><i>Exemption conditions</i></p>	<ul style="list-style-type: none"> The project has to be approved by the Council of Ministers and registered in the Ministry of Economy You will need a list of goods, works and services for the international technical assistance project. The list has to be approved by the Commission on International Technical Assistance under the Council of Ministers. You will also need the Commission's meeting minutes
<p><i>Responsible body</i></p>	<p>Inspection of the Ministry of Taxes and Duties, depending on the place of state registration of the Beneficiary or Partner</p>
<p><i>List of documents to be submitted</i></p>	<p>The lists of documents to be submitted to the responsible body are the following:</p> <ol style="list-style-type: none"> In case of income acquired from the foreign organisation, which implements the project: <ul style="list-style-type: none"> Request with short description of the international technical assistance project/programme, works (services) provided, period, payment amounts and conditions, as well as other relevant information Copy of the project application with a stamp of the Ministry of Economy indicating the date and the number of registration (in some cases, you will only need the first page) Copy of the grant contract or any other letter of commitment between the foreign Beneficiary/Partner organisation and donor organisation (ENPI CBC programme Joint Managing Authority) Copy of the contract between the expert (physical person) and the foreign organisation, Beneficiary/Partner, justifying obtaining the international technical assistance resources by the physical person In case of income acquired from the Belarusian organisation, which obtains international technical assistance and implements the project: <ul style="list-style-type: none"> Request with short description of the international technical assistance project/programme, works (services) provided, period, payment amounts and conditions, as well as other relevant information Copy of the project application with a stamp of the Ministry of Economy indicating the date and the number of registration (in some cases, you will only need the first page) Copy of the grant contract or any other letter of commitment with donor organisation (ENPI CBC Joint Managing Authority) and (or) foreign Beneficiary organisation Copy of the contract between the expert (physical person) and the Belarusian organisation, justifying obtaining the international technical assistance resources by the physical person



N.B.

- ☞ This regulation is not applicable for the legal persons! In case there is a service contract between Belarusian Beneficiary/Partner with a foreign legal person its revenue in Belarus is considered to be an income. In this case Belarusian Beneficiary/Partner must pay income tax on behalf of this foreign legal person according to the Belarusian tax regulations. Taxes are considered as non-eligible costs for all ENPI CBC programmes and should be paid from own sources of Beneficiary/Partner.
- ☞ When a project expert receives his or her salary from the resources provided as co-financing from national sources, income tax is paid in accordance with the usual procedures.
- ☞ The tax office might request the Copy of the list of goods, works and services provided for implementation of the international technical assistance project, as well as the organisation's internal order reflecting the name of the expert, and confirmation that his or her salary is paid from the financial means of the EU grant.

Exemption from Customs duties

<i>Exemptions</i>	<p>The following elements of international technical assistance are exempt from VAT, excise, and customs duties:</p> <ul style="list-style-type: none"> Goods brought into the customs territory of Belarus purchased from the means and (or) to be obtained (already obtained) as international technical assistance for the purposes of the project.
<i>Exemption conditions</i>	<ul style="list-style-type: none"> The project has to be approved by the Council of Ministers and registered in the Ministry of Economy You will need a list of goods, works and services for the international technical assistance project. The list has to be approved by the Commission on International Technical Assistance under the Council of Ministers. You will also need the copy of the Commission's meeting minutes Exemptions lie within the quantitative and cost limitations indicated in the list of goods
<i>Contact body</i>	Customs authority which performs customs clearance.
<i>Documents</i>	<p>List of documents to be submitted to the contact body:</p> <ol style="list-style-type: none"> 1) Contract or other documents confirming the transaction 2) Commercial papers confirming delivery of goods 3) Transport (transfer) documents 4) Permission (licences) for the import of goods, when they are indicated in the lists of goods restricted for import and export through the customs border for economic and non-economic reasons 5) Documents confirming information about the customs applicant 6) Copy of the Extract from the Minutes of the meeting of the Commission on International Technical Cooperation under the Council of Ministers of the Republic of Belarus, containing the information on approval of the List of goods, works and services provided for implementation of the project (please see the section above) 7) Copy of the list of goods, works and services for implementation of the international technical assistance project



**Practical
tips**

-  Goods acquired with resources provided as international technical assistance and brought into the territory of the Republic of Belarus are not subject to Decree No. 460 dated October 22, 2003. Such goods are exempted on the basis of the Agreement between the Government of the Republic of Belarus and Commission of European Communities dated December 18, 2008
-  In relation to printed and audio-visual products, you will have to find out whether these products belong to the goods banned or restricted for transfer through the border in accordance with the Decision No. 19 of the Interstate Council of the Eurasian Economic Community dated 27.11.2009. The decision is taken by the customs authority
-  You might want to use the services of a customs carrier to deliver your goods. When you take your goods to the customs clearance zone (customs warehouse) by your own transport, you will have to use customs escort services or guarantee payment of customs duties by means of a security deposit, bank guaranty, cash deposit or guarantee of payment



10. PROJECT ACCOUNTING REQUIREMENTS

Legal Framework

For non-state organisations, the following legal requirements apply:

- 1) Resolution of the Ministry of Finance No. 17, 24 February 2006 approving the Specification "On the accounting procedures for gratuitous income (assets)".

For both state-financed and non-state organisations, the following legal requirements apply:

- 2) Ordinance of the Ministry of Finance of the Republic of Belarus No. 51, 26 April 2010 approving Specification "On the accounting procedures of the international technical assistance financial means by state bodies".

General rules and accounting procedures for grant bookkeeping are described in the above-mentioned Specifications.

Practical tips

- ☞ *Belarusian Beneficiaries/Partners are recommended to provide two types of bookkeeping:*
 - Regular bookkeeping in their own accounting system according to national requirements
 - Project financial management in accordance with ENPI CBC Programme rules, with project managerial accounting in accordance with project budget lines and positions
- ☞ *The first type of bookkeeping implies that all expenses in the framework of the project must be borne by Beneficiaries and Partners and reflected in their internal bookkeeping system, as is required by the Grant contract stipulating the criteria for eligible costs. For the project financial management purposes, separate project managerial accounting should be elaborated, based on the corresponding positions of the project budget. All relevant contracts, invoices and bills should contain a clear reference to the project and remark "Within the framework of the Project (project name) registered in the database of international technical assistance programmes and projects of the Ministry of Economy of the Republic of Belarus on (date of registration) under No. (registration number)". Proper invoicing and relation of internal bookkeeping to the project managerial accounting will help to separate financial documents related to the project from all other documents of the Beneficiary/Partner*

11. CALCULATING AND ACCOUNTING FOR BENEFICIARY OR PARTNER HUMAN RESOURCES

★ Overview

Calculating and accounting of human resources used on project activities is to be made in accordance with Belarusian national legislation, which does not provide for specific rules for the international assistance projects. Please note nonetheless that each ENPI CBC programme may impose specific additional requirements; please check those carefully with your programme.

Generally, the Beneficiary (Lead Partner) should provide the following documents to the auditor and the Joint Managing Authority on request (if requested, the Partner must provide them to the Beneficiary):

- Staffing table and internal orders on employment (if relevant)
- Independent contractor agreements with acts on work completion (if relevant)
- Salary payroll registers for staff working on the project
- Payment documents for human resource costs of staff working on the project (payment orders to a bank for payment of salary, social, security funds, and insurance fees, etc.)
- Account sheet (Accounts “Salary” and “Social security funds”, etc.)
- Account analysis (Accounts “Salary” and “Social security funds”, etc.)
- Registers (records) in the Ledger concerning salary payments
- Internal time sheet according to Belarusian requirements. The time sheet should reflect in sufficient details the tasks worked on the EU-funded project

The calculation of human resources for the Joint Managing Authority should reflect not only the salary received, but also all obligatory payments by the employee or employer related to the salary, i.e. social security payments, work insurance, payments to the Pension Fund, income tax etc. (for that part of their time they are working on the project).

★ Practical info

To make salary calculations easier for the project bookkeeping, you might want to draw up the annual labour cost statement for each staff person working on the project with indication of the following positions:

- Calculation period
- Sum of payroll calculations
- Sum of deductions to the Pension Fund
- Sum of income tax (in case the salaries of experts are paid from own sources of the Beneficiary/Partner and part of the co-financing to the project)
- Sum of salary to be paid (transferred to the account of the expert)



- Sum of deductions to the Fund for Social Protection of Population
- Sum of deductions to Belgosstrakh
- Sum of total labour costs of the expert

The statement has to be signed by the head of the Partner organisation and the organisation's chief accountant, as well as by the bank officer confirming the amount of salary paid to the expert. While providing the data, be sure to indicate mandatory deductions, such as alimony payments and union fees. Such deductions from the amount to be paid out to the employee/expert after taxes, are included into labour costs.

To calculate human resources costs, the following method may be used:

1st step is to calculate labour costs per day (LCD):

$$\text{LCD} = \frac{\text{annual labour costs}}{\text{official working days per year}} \quad \begin{array}{l} \text{(ac. to calculation above)} \\ \text{(e.g. in 2009 – 255 working days)} \end{array}$$

Labour costs per day = total sum of the annual labour costs (according to the calculation described above) divided to the number of the official working days per year (according to the working calendar, e.g. in 2009 – 255 working days).

2nd step is to calculate labour costs for the period (monthly (LCM) or annual (LVA) figures):

LCM = LCD x number of days worked for the project in this month according to the time sheet, or

LCA = LCD x number of days worked for the project in this year according to the time sheets or summary of timesheets per year.

The daily labour costs rate serves as a basis for the staff cost calculation according to the monthly timesheets or summary of time sheets per year.

Please note that there may be other calculations required by your ENPI CBC programme, please check your programme specific requirements.

Timesheets reported within the project should be congruent with the employee timesheets of the Belarusian Beneficiary/Partner.

12. EMPLOYING NATIONAL EXTERNAL EXPERTS

When hiring national external experts, the preferable option is to use the “Independent contractor agreement”. The expert (contractor) is engaged as an independent contractor and shall provide to the Beneficiary/Partner his or her professional services/works in some specific area. This agreement is regulated by Art. 656 - 682 of the Civil Code of the Republic of Belarus and does not constitute an employer/employee relationship. In comparison to the labour contract, the Beneficiary/Partner pays for the contractor’s work only after the service has been completed and the corresponding work report (act on work completion) has been provided.

Social security and labour legislation norms are also applicable to the experts working under the agreement conditions. In this regard the requirement described under Chapter 11. Overview of this Guide is applicable to the calculation of the costs of subcontracted national experts.

Please note that specific procurement procedures have to be respected when recruiting experts for the project, please see section 17 of this Guide and check your ENPI CBC programme requirements carefully.

13. SUBCONTRACTING INTERNATIONAL EXTERNAL EXPERTS

When hiring foreign experts, the preferable option is to use the “Service contract”. The expert (service provider) shall provide to the Beneficiary/Partner his or her professional services in some specific area. This agreement is regulated by Art. 733 - 737 of the Civil Code of the Republic of Belarus and does not constitute an employer/employee relationship.

This form is preferable for the foreign experts as no national requirements on social security should be applied. As this contract is not considered to be a labour contract, no special licenses and permissions are necessary to hire such an expert. In cases where the reward is paid to the service provider from the financial means of the grant, the obligatory tax from the income obtained by foreign citizens in Belarus should not be paid. Please see procedures and recommendations for income tax exemption under Title 9.

Please note that specific procurement procedures have to be respected when recruiting experts for the project, please see section 17 of this Guide and check your ENPI CBC programme requirements carefully.



14. PAYING TRAVEL COSTS AND PER DIEM TO BELARUSIAN AND FOREIGN EXPERTS

Legal Framework

- 1) Resolution of the Ministry of Finance of the Republic of Belarus No. 35, 12 April 2000, approving "Specification on the Order and Amount of Reimbursement of Business Travel Costs within Belarus"
- 2) Resolution of the Council of Ministers of the Republic of Belarus No. 55, 14 April 2000, approving "Resolution on Regulation of Labour of Employees Assigned for Work in the Institutions of the Republic of Belarus abroad, and on Guarantees and Compensations during Foreign Business Trips"
- 3) Resolution of the [Ministry of Labor and Social Security](#) of the Republic of Belarus No.115, 30 July 2010, "Instruction on trips abroad"
- 4) Resolution of the Ministry of Finance of the Republic of Belarus No. 7, 30 January 2001, "On Establishment of Standards for Payment of Travel Expenses during Foreign Business Trips"
- 5) Resolution of the Council of Ministers of the Republic of Belarus No. 676, 10 May 2001, "On the Norms of Expenses for Hosting and Catering of Foreign Delegations and Individuals"

★ Practical Info

There are two circumstances under which payment of travel and per diem expenses will be made:

- Participation of project experts and participants invited to a project event within Belarus
- Participation of Belarusian experts and participants invited to a project event outside Belarus

The per diems can be paid in Belarusian roubles (in cash or other forms) for trips in Belarus or in foreign currency for trips abroad. National regulations limit the amount of the per diem sum (including hotel costs, daily allowance for meals and local transportation on the place of mission) depending on the destination. Belarusian Beneficiaries (Lead Partners) and Partners could often face a problem of discrepancy between the maximum per diem amounts allowed in Belarusian regulations and those set in the project budget. The following payment methods for per diems and travel costs might be useful for Belarusian Beneficiaries and Partners:

Participation of Belarusian and foreign experts in project activities within Belarus

- Account for a group of experts as a delegation (hotel costs against the invoice, up to 5 base units per day for meals, transport costs against the invoice). Payment is done by means of a non-cash transaction to the service suppliers in Belarusian roubles
- Transport expenses are reimbursed on the basis of a calculation and an invoice, supplemented by a route sheet, in case the employee has been sent on a business trip by the organisation. Physical

persons have a possibility to reimburse their transport expenses by means of a postal money order (ENPI CBC recipients will need to have their passport data and original tickets)

Participation of Belarusian experts in project activities outside of Belarus

- Pay travel and per diem expenses in accordance with specified standards and rules in Belarusian legislation (i.e. low per diem rates)
- Drawing up individual contract agreements with experts for their participation in a conference or a seminar as experts of the international technical assistance project to provide their consulting services (disadvantage: all obligatory payments from income (except income tax) should be deducted from the sum of the contract; civil servants are not allowed to conclude such agreements; Beneficiary/Partners cannot subcontract one another's staff)
- Pay per diem expenses according to the project budget rates (disadvantage: all obligatory payments from income (difference between official Belarusian daily allowance rate and possible project budget rate is considered income) except income tax should be deducted from the sum)
- The budget amount allocated for foreign trips is given to the Partners from outside Belarus who pay accommodation and transportation expenses for the Belarusian Partners

Practical tips

There is no official solution for this problem. In the past, many Belarusian Beneficiaries/Partners have used the per diem rates given in the project budget. The argument is that the project and the project budget have been approved by a Resolution of the Council of Ministers, registered in the Ministry of Economy, and therefore the EU rates have been accepted. Some Beneficiaries/Partners follow strictly the provisions in the regulations mentioned above. Positive solutions for the situation can be found by the accountant from the Beneficiary/Partner in cooperation with local offices of the Inspection of the Ministry of Taxes and Duties and Fund for Social Protection of Population.

It is not allowed to pay per diems to the experts working on the basis of Independent contractor agreements. However the reimbursement of travel costs, hotel costs and amount of daily allowances is possible in case such a possibility is foreseen in the agreement and costs calculated in the act of work completion. The Beneficiary/Partner is obliged to make all obligatory payments (Fund for Social Protection of Population, Belgosstrakh) from the sum of reimbursement, as such reimbursement is considered as income of the expert. In order to avoid such obligatory payments some projects used to pay travel costs, hotel costs and meals of such experts directly from their project bank account to suppliers without reimbursement of the costs to the project experts.



15. ADMINISTRATIVE COSTS: CALCULATING AND ACCOUNTING FOR PROJECT OFFICE SPACE

★ Practical Info

Beneficiaries (Lead Partners) and Partners can provide space in their office for the activities of the project team or the conduct of project activities. The following example of calculating costs for project office space can be used when no separate office for the project is rented. Please note that to date this calculation is not allowed in the Baltic Sea Region programme (which treats general costs allocated on a percentage or pro-rata basis as ineligible).

- Total area of the building (S total) equals to 1000m²
- Total usable area (office area) (S total usable) equals to 700m²
- *Building Utilization Index (BUI)* is defined as the ratio of the total building area to the total usable area:

$$BUI = S \text{ total} / S \text{ total usable} = 1000/700 = 1.43$$

- Space occupied by the project office (S project) equals to 40m² (as defined on the basis of a company's internal order on assignment of premises)
- Total area used for the project purposes (S total project):

$$S \text{ total project} = S \text{ project} \times BUI = 40 \times 1.43 = 57.2 \text{ m}^2$$

- Project share in the building utility costs is defined as a ratio of the total area (S total project) to the total building area (S total):

$$Project \text{ Index (PI)} = S \text{ total project} / S \text{ total} = 57.2 / 1000 = 0.0572$$

- The amount of utility costs compensated by a project equals to the amount of utility costs for the calculation period for the building in general, multiplied by the Project Index,

$$e.g. 2.000.000 \times 0,0572 = 114.400$$

16. OWNERSHIP OF EQUIPMENT, INVESTMENTS, INTELLECTUAL PROPERTY AND PROJECT RESULTS

★ Overview

The Beneficiary (Lead Partner) is responsible to the programme Joint Managing Authority for the budgetary and financial management of the project. In the framework of the partnership agreement, the Partners may authorise the Beneficiary to pay the expenses directly to the subcontractors in order to purchase equipment or to produce materials or other outputs. In this case the expenditure may have to be included in the Beneficiary's budget and reported as its own expenditure (in particular for the Baltic Sea Region programme).

At the end of the project, these equipment and outputs can be transferred to the Partners according to the grant contract rule "transfer of ownership" and according to the provisions of the project partnership agreement. Belarusian accountancy rules will need to be taken into consideration. The same procedures apply for intellectual property rights and all products developed within the framework of the project. The Beneficiary will also need to consider how to account for outputs that will remain in its possession.

★ Practical Info

When relevant, the transfer of the property rights is based on a separate agreement between the Beneficiary and a project Partner. This agreement is called "Contract on transfer of property without compensation" and should be accompanied by delivery-acceptance certificates signed by both parties. To ensure that the property has been booked in the balance sheet of the Partner organisation, the Beneficiary should obtain the following documents from the Partner:

- Inventory cards (in case of fixed assets) with indication of responsible persons for an equipment item
- Account sheet (Account "Fixed assets" or "Non-durable goods")
- Account analysis (Account "Fixed assets" or "Non-durable goods")
- Registers (records) in the Ledger concerning transfer and taking fixed or current assets on the balance

Practical tip

 *In cases where the Beneficiary is a governmental body (regional or local authority), the Decision of the Executive Committee is needed to transfer the property to other Partners. The Decision should have a clear reference to the project name and registration data as well as a list of recipients, name and number of units, price of the equipment or rights to be transferred.*



17. PROCUREMENT OF SERVICES, EQUIPMENT AND SUPPLIES

Legal Framework

- 1) Resolution of the Council of Ministers No.1522 "On Certain Measures Aimed at Implementing the Decree No. 460 of the President of Belarus 22 October 2003" 21 November 2003 approving "Regulation on the Procedure of Preparation, Consideration and Approval of the International Technical Assistance Projects (Programmes), as well as Lists of Goods (Property, Including Monetary Means), Works and Services Provided for Implementing Those Projects (Programmes)" (with amendments following Resolutions by the Council of Ministers No. 402 16 April 2005, No. 1027 15 September 2005, No. 203 19 February 2007, No. 456 27 March 2010).
- 2) Decree of the President No. 618, 17 November 2008 "On State Procurements in the Republic of Belarus".
- 3) Resolution of the Council of Ministers No. 1987, 20 December 2008 "On Some Issues of the Conduction of State Procurements" with "Regulation on Selection of the Supplier (Service Provider) in the Frame of the State Procurements".

★ Overview

The donor programme requirements for the procurement procedures in the framework of the international technical assistance projects should be respected according to Chapter 7 of the Regulation on the *Procedure of Preparation, Consideration and Approval of the International Technical Assistance Projects (Programmes), as well as Lists of Goods (Property, Including Monetary Means), Works and Services Provided for Implementing Those Projects (Programmes)*. That means that Belarusian Beneficiaries/Partners must only **consider the EU programme procurement procedures as stated in the Grant Contract** in case the purchase of the goods, works, services will be financed from the means of the EU programme and (or) non-state financial means.

However for all organisations which procure goods, services or works with co-financing from financial means provided by republican or local state budgets, or specialised state funds, the regulations of the Decree No.618 and Resolution No. 1987 should be applied. This means that the Beneficiary (Lead Partner)/Partner should respect official procurement procedures as described in the Regulation on *Selection of the Supplier (Service Provider) in Frame of the State Procurements*. In any case, provisions of the Grant Contract, in particular Special Conditions and Annex IV to the Grant Contract *Procurement by grant Beneficiaries in the context of European Union external actions* should also be respected, particularly in regard to rules of nationality and origin, and procurement thresholds.

★ Practical Info

Applicable procurement procedures under ENPI CBC Grant Contract (Annex IV to Grant Contract)

General principles:

Contracts must be awarded:

- To the most economically advantageous tender i.e. to the tender offering the **best price-quality ratio**, and
- in accordance with the principles of transparency and **fair competition** for potential contractors, taking care to avoid any conflicts of interest even below the thresholds for direct award.

Common rules applicable to all tender procedures:

- The tender documents must be drafted in accordance with **best international practice**. The Beneficiary and Partners may use the models relating to external actions published on the EC website, namely PraG Chapters 3 (Services), 4 (Supplies) and 5 (Works) and related annexes (note, this is not compulsory), available on http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm . In case of doubt, you could compare your procedures to the EC best practice as described in these chapters and annexes and adapt as needed.
- The time-frames for receipt of tenders and requests to participate must be **long enough** to allow interested parties a reasonable and appropriate period to prepare and submit their tenders (e.g. in PraG: 60 days for Supplies and 90 days for Works for international tenders, 30 for Supplies and 60 for Works for local tenders).
- All requests to participate, and tenders which are declared as satisfying requirements, must be evaluated and ranked by an **evaluation committee** on the basis of exclusion, selection and award criteria announced in advance.
- This committee must have an odd number of members, and at least three members, with all the technical and administrative capacity necessary to give an informed opinion on the tenders.

Rules on origin and nationality:

- Regardless of the eligible area of the programme, **all supplies purchased (such as equipment, furniture and material) shall originate from the list of countries below**. 'Originate' means that the good is **either wholly produced, or it underwent its last substantial transformation**, in that country.
- Likewise, natural persons (e.g. experts) and legal persons (e.g. service, supply or work providers) from the countries listed below only can be awarded sub-contracts financed under ENPI CBC.

Rule of origin and rule of nationality countries listed in the ENPI Regulation	
EU Member States	Portugal, Spain, France, Italy, Malta, Greece, Cyprus, Bulgaria, Romania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Austria, Germany, Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, The Netherlands, Belgium, Luxemburg, United Kingdom and Ireland
ENPI Partner Countries	Russia, Belarus, Ukraine, Moldova, Georgia, Armenia, Azerbaijan, Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territories, Syria and Tunisia
IPA Countries	Croatia, Turkey, Albania, Bosnia, Montenegro, Serbia, Kosovo and FYROM
EEA	Norway, Iceland and Liechtenstein

Practical tips

- ☞ For equipment and vehicles with a unit cost on purchase of more than €5,000, the contractors providing the supplies must present proof of origin no later than when they present their first invoice. The certificate of origin must be made out by the competent authorities in the country of origin for the supplies (e.g. Chamber of Commerce, Government Ministry etc.). Remember to request this certificate from your supplier and clearly insert it as a requirement in the tender dossier.
- ☞ For supplies with a unit cost on purchase of less than €5,000, a statement from your supplier specifying the origin of the equipment is enough. Still, remember that the rule of origin applies to all supplies so in the absence of this statement, the cost of the supplies may be considered ineligible. Note, the origin is also often inscribed on the equipment itself (e.g. 'made in' or 'assembled in').

Applicable procurement thresholds under ENPI CBC Grant Contract (Annex IV to Grant Contract)

Services	≥ €200,000 International restricted tender procedure	< €200,000 but > €10,000 Negotiated procedure without publication (at least 3 offers)		
Supplies	≥ €150,000 International open tender procedure	< €150,000 but ≥ €60,000 Local open tender procedure	< €60,000 but > €10,000 Negotiated procedure without publication (at least 3 offers)	≤ €10,000 Single tender (direct award)
Works	≥ €5,000,000 International open tender procedure	< €5,000,000 but ≥ €300,000 Local open tender procedure	< €300,000 but > €10,000 Negotiated procedure without publication (at least 3 offers)	

Practical tip

For more details on these procedures and ENPI CBC procurement rules please consult RCBI Project Implementation Manual (chapter 3 on procurement) available for download on RCBI website www.rcbi.info

Applicable procedures and thresholds for State procurement in Belarus in case of co-financing with public funds

Type of procedure	Contract amount and definition
Open or closed competition	<p>≥ 8000 base rates* (app. 70000 Euro)</p> <p>Open: Publication on specialised official web-sites, mass-media and mailing to potential suppliers. Closed: Only for secret state procurements.</p> <p>Can be conducted in 2 steps: 1) preliminary request for offers, 2) second request for selected applicants.</p> <p>Minimum 2 competitors.</p>
Request for price offers	<p>< 8000 but ≥ 1000 base rates (app. 8700 Euro)</p> <p>Open: publication on specialised official web-site, mass-media and mailing to potential suppliers.</p> <p>The best price offer will be selected.</p> <p>Minimum 2 competitors.</p>
Competitive negotiated procedure (competitive list)	<p>< 1000 but ≥ 50 base rates (app. 440 Euro)</p> <p>Negotiation procedure with minimum two suppliers. The best offer per unit will be selected.</p>
Single contract	<p>< 50 base rates</p> <p>Beneficiary signs a contract with a supplier without tendering procedures.</p>

One base rate is equal to 35.000 BYR (November 2010).

Remember that you will still need to respect also the basic principles and thresholds of the ENPI CBC Grant Contract described before.

Practical tips

For more details on the differences between the Belarus national legislation for tenders and the ENPI CBC programme rules you may also consult *Interact ENPI Guide on Secondary Procurement in ENPI CBC programmes published in September 2011 and available for download on <http://www.interact-eu.net/downloads/4478/guide.pdf>, which includes a specific procurement Matrix for Belarus.*

18. WHEN YOUR PROJECT INCLUDES WORKS (CONSTRUCTION)

Legal Framework

- 1) Law of the Republic of Belarus No. 300-3 5 July 2004 *"On Architecture, Urban Planning and Construction Activities in the Republic of Belarus"* (with amendments No. 162-3 20 July 2006, No. 319-3, 5 January 2008, No. 32-3, dated July 2, 2009).
- 2) Resolution of the Council of Ministers No. 223, 20 February 2007 *"On Some Measures of Architecture and Construction Activities Improving"*, approving *"Regulation on Procedures of Elaboration of the Permission Documents for Construction of Objects"* (with amendments No. 1802, 22 December 2007, No. 461, 26 March 2008, N 599, dated May 6, 2009).
- 3) Decree of the President No 667, 27 December 2007 *"On Withdrawal and Assignment of the Land Lots"*, approving *"Regulation On Withdrawal and Assignment of the Land Lots"* (with amendments No. 64, 6 February 2009, No. 241, 12 May 2009, No. 305, 11 June 2009).
- 4) Resolution of the Council of Ministers of the Republic of Belarus No.1476, 8 October 2008 *"On Approval of the Regulation on Procedures of the State Expertise of Urban Planning, Architecture and Building Projects, Feasibility Studies for Investments in Building Objects, as well as Regulation on Procedures of Adjustment and Approval of Building Documentation, Approval of Urban Planning Projects"* (with amendment No. 1001, 30 July 2009).
- 5) Resolution of the Council of Ministers No.1387, 19 October 2006 *"On Approval of the List of Documents to be Submitted by Building Owner, Subcontractor to the Bodies of the State Construction Monitoring for Obtaining of Permission for Construction and Assembly Works, as well as List of Objects Which Do Not Require Permission of the State Construction Monitoring for Construction and Assembly Works"* (with amendments No. 1648, 29 November 2007, No. 1067, 14 August 2009, No.946, 21 June 2010).
- 6) Resolution of the Council of Ministers No.223, 20 February 2007 *"On Approval of Regulations on Procedures of Elaboration and Issue of Approval Documentation for Objects Construction"* (with last amendments No. 461, 26 March 2008, No. 599, 06 May 2009, No.1136, 30 July 2010).
- 7) Resolution of the Council of Ministers No. 235, 3 March 2005 *"On Approval of the Regulations on Procedures of Organisation and Conduction of the Objects Building Tenders"* (with last amendments No.241, 19 February 2010, No. 1910, 30 December 2010).
- 8) SNB 1.03.02-96 Composition, Order of Elaboration and Approval of Construction Documentation (with last amendments No. 403, 10 November 2008, No.487, 30 December 2008, No.415, 15 December 2009).

Obtaining construction permits is subject to many regulations. The Beneficiary (Lead Partner) or Partner should note that not all objects and construction works need such permits (e.g. simple renovation of objects). In each specific case the Beneficiary/Partner should contact the Department of Architecture and Urban Planning of the executive committee to clarify this issue.



★ Overview

The process of building can be divided into several stages:

- Obtaining permission documentation for construction project elaboration and title documents for land lot
- Tender for design and survey works (if necessary); Drafting the construction project documentation, obtaining the positive conclusion of the state expertise and final approval of documentation
- Obtaining permission for construction and assembly works
- Tender for construction and assembly works (if necessary) and conclusion of agreements with subcontractors
- Construction and assembly works control and monitoring
- Acceptance of construction works and built object

Beneficiary/Partner can act as developer or customer of the construction. Acting as a developer, your organisation constructs the object by own means and facilities. Acting as a customer, the Beneficiary/Partner engages subcontractors for the different stages of the construction. Beneficiaries/Partners might sign an engineering service contract with a specialised company that will manage the construction works. The subcontracted company will realize all stages of the construction with its own means and facilities or subcontract further specialized organisations.

Practical tip

☞ Check the updated construction regulations before starting construction works.

★ Practical Info

Obtaining permits for design and survey works

<i>Contact body, contact details</i>	<ol style="list-style-type: none"> 1) Local executive and regulatory body (executive committee). To be determined by the Beneficiary/Partner responsible for the work depending on the location of the construction object 2) Territorial Departments of Architecture and Urban Planning of the local executive and regulatory body (executive committee) 3) Approving organisations (determined by Territorial Departments of Architecture and Urban Planning)
<i>List of documents to be submitted</i>	Developer/customer needs to submit only an application to the local executive and regulatory body (executive committee)
<i>Documents to be obtained</i>	<ol style="list-style-type: none"> 1) Decision of the local executive and regulatory body approving the location of the object to be constructed and permit for conduction of design and survey works 2) Architectural and planning terms of reference 3) Findings of the approving organisations 4) Specifications on engineering facilities of the object

<i>Recommendations</i>	<ul style="list-style-type: none"> • The Beneficiary/Partner should keep in mind that obtaining permission can take a minimum of one month • For construction works which involve objects of historic and cultural value, it is obligatory to obtain special permission from the Ministry of Culture which name a scientific coordinator of the construction project
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Drafting of the building project documentation, its state expertise and final approval

<i>Contact body, contact details</i>	Design organisation with a license for the development of design (construction projects) documentation. The organisation should be determined through the tender procedures (if necessary)
<i>List of documents to be submitted</i>	<p>The developer/customer should sign a service contract with the specialised design company that will develop the construction project documentation and will go through all procedures of state expertise if required. Following documentation should be submitted:</p> <ol style="list-style-type: none"> 1) Decision of the local executive and regulatory body approving the location of the object to be constructed and permit for conduction of design and survey works 2) Architectural and planning terms of reference 3) Findings of the approving organisations 4) Specifications on engineering facilities of the object 5) Design terms of reference, which is a part of the service contract 6) Restoration terms of reference for the object which have history and culture value, developed by the scientific coordinator of the construction project and approved by the Ministry of Culture of the Republic of Belarus
<i>Documents to be obtained</i>	Complete set of construction documentation with findings of approval organisations and scientific coordinator (for object which have history and culture value), which should be finally approved by the Beneficiary after obtaining the positive decision of the state complex expertise
<i>Recommendations</i>	The Beneficiary/Partner should keep in mind that the time needed for the development of documentation and expertise can take up to several month

Obtaining permission for construction and assembly works

<i>Contact body, contact details</i>	Department of Construction Control and Monitoring of the State Committee for Standardisation of the Republic of Belarus (with regional Inspections of Construction Control and Monitoring) http://www.gosstandart.gov.by/Stryktyra_Gos-kom_rekv.php
<i>List of the documents to be submitted</i>	<ol style="list-style-type: none"> 1) Application reflecting the information about developer/customer 2) Copy of Decision of the local executive and regulatory body (executive committee) allowing construction, reconstruction or restoration works in the approved location 3) Copy of the State complex expertise report on design (construction documentation) with recommendation on approval of design documentation without remarks 4) Order of the Beneficiary/Partner on approval of the set of construction documentation 5) Copy of the construction contract with the subcontractor



<i>To be obtained</i>	1) Permission for construction and assembly works
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Practical tips

-  After obtaining the permit, the subcontractor can start construction
-  Technical monitoring of construction works should be made by the developer/customer or an authorised engineering company
-  Monitoring of the construction works should be conducted, by the organisation that has developed the construction documentation, during the whole period of construction till operational acceptance of the object
-  Control of the work at the objects that have historical and cultural value should be conducted by the scientific coordinator named by the Ministry of Culture of the Republic of Belarus

Acceptance of construction works

<i>Responsible body</i>	The Acceptance Commission is to be appointed by the Beneficiary/Partner (customer)
<i>List of organisations to be informed</i>	<p>The Beneficiary/Partner should inform several state bodies about acceptance of the construction at least 15 days before the commission starts working, if required. These include:</p> <ol style="list-style-type: none"> 1) Ministry of Natural Resources and Environmental Protection 2) Department of Construction Control and Monitoring of the State Committee for Standardization 3) Department of State Labour Inspection of the Ministry of Labour and Social Security 4) Ministry of Culture (in case of the object which have history and culture value) 5) Other state bodies (if the construction built is under their control)
<i>Members of the Acceptance Commission</i>	<p>Acceptance Commission should consist of the following experts:</p> <ol style="list-style-type: none"> 1) Customer 2) Subcontractor which provided construction services 3) Facility management organisation of the object (if any) 4) Designing organisation 5) Local executive and regulatory body 6) Fire inspection department 7) Other relevant bodies and organisations (if necessary)
<i>To be obtained</i>	Certificate of clearing of operation, signed by the members of the Acceptance Commission





Part 3

Project audit and reporting



This project is funded by the EU



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19. EXPENDITURE VERIFICATION: MEMBERS OF IFAC, HOW TO FIND AND APPOINT AN AUDITOR IN BELARUS

★ Overview

Subject to specific programme requirements (as described in the grant contract), projects are requested to attach an expenditure verification report to their financial reports and/or requests for payment. The expenditure verification report must be produced by an auditor that is a member of the International Federation of Accountants (IFAC) or commits to undertake this engagement in accordance with the IFAC standards and ethics as set out in the Terms of Reference for expenditure verification, attached to the grant contract. The auditor examines whether the costs declared by the Beneficiary (Lead Partner) or Partner are real, accurately recorded and eligible in accordance with the Contract, as well as the revenue of the Action and issues an expenditure verification report conforming to the model provided by the Joint Managing Authority.

As the Belarusian Association of Bookkeepers and Auditors is not a member of the IFAC, there are two possible ways to appoint an auditor:

- To appoint a company which is an international company member of IFAC with representation in Belarus
- To find a Belarusian auditing company with experience in the audit of the international technical assistance projects financed under EU programmes

When you have found the Belarusian auditor, he or she should be approved by the Joint Managing Authority.

★ Practical Info

A full list of audit companies and independent auditors in Belarus can be found under the following link: <http://www.minfin.gov.by/rmenu/auditing/geninfo/lic-audit/>

20. MONITORING, EVALUATION AND REPORTING ACCORDING TO NATIONAL REQUIREMENTS

Legal Framework

- 1) "Provision on Approval of Regulations Governing Evaluation of International Technical Assistance Projects (Programmes) and Their Effectiveness", approved by the Resolution No. 1513 of the Council of Ministers 26 November 2004.

★ Overview

According to Belarusian regulations, there are the following methods for project evaluation:

- Annual evaluation
- Comprehensive expert examination of the international technical assistance project/programme implementation
- Ongoing control over the proper use of funds, goods (property), works and services rendered within the international technical assistance projects/programmes

★ Practical Info

Annual evaluation

The subject of evaluation: Analysis of implemented activities, achieved results and project indicators (please see Annex No. 6).

The evaluation is performed by the Ministry of Economy on the basis of the project implementation reports that should be submitted by the Beneficiary or Partner no later than July 15 and January 15 of each year of the project implementation period. When the project is finalised, the implementation report has to be submitted within 30 days from the day of its completion.

When there are repeated breaches of deadlines for submission of project implementation reports, the Ministry of Economy could ask the Commission on International Technical Cooperation under the Council of Ministers to declare the project registration void.

Comprehensive expert examination of ENPI CBC project implementation

The subject of evaluation: Analysis of effectiveness and efficiency of the projects.

The evaluation is performed on the basis of Commission decisions by an expert group assembled for this purpose. As a rule, the expert group includes representatives of the Beneficiary/Partner, Ministry of Economy, Ministry of Foreign Affairs, regional executive committees, Ministry for Taxes and Duties,



Committee for State Security, State Customs Committee and the Coordinating Unit for the European Union's TACIS Programme in the Republic of Belarus.

Comprehensive expert examination is performed within 30 days of the assembly of the expert group. As a result of the comprehensive expert examination, the expert group draws up a report (please see Annex 7). If the examination reveals errors (or discrepancies) in project implementation which resulted in the failure to accomplish project aims, objectives and activities, the expert group supplements its report with a proposal either to address the discrepancies or to declare the project registration void.

Control over the proper use of financial means

The subject of evaluation: Inspection of whether financial operations and reports correspond to the legal and contractual obligations.

The evaluation is performed on a regular basis by the State Control Committee, Ministry for Taxes and Duties, and State Customs Committee. When the project grant has not been used properly, the goods and means acquired through the improper use are not subject to Decree No. 460 and are therefore subject to all taxes and duties, including penalties and fines.





Part 4

Legal Acts and Required forms



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Annex No 1

ЗАЯВЛЕНИЕ о регистрации проекта (программы) международной технической помощи

Наименование получателя _____
Адрес: _____
Телефон/факс _____
УНП _____
Донор _____

Просим зарегистрировать проект (программу) международной технической помощи или изменение проекта (программы) (нужное подчеркнуть):

включенный в качестве проектного предложения в Национальную программу
международного технического сотрудничества
реализуемый методом национального исполнения
мини-проект
одобренный постановлением Совета Министров Республики Беларусь
реализуемый в соответствии с международным договором
внесение изменений и (или) дополнений в проект (программу)

Код проекта (программы) донора	
Наименование проекта (программы)	
Цель проекта (программы)	

Финансирование проекта:

Источники финансирования	Год	Объем финансирования в белорусских рублях и долл. США/евро
Доноры		
Национальное софинансирование		
Третьи стороны		

Срок реализации проекта: с "___" _____ 20__ г. по "___" _____ 20__ г.
(___ месяцев с даты регистрации).

Приложение: перечень документов, прилагаемых к заявлению:

1. _____ на ___ листах.
...

Руководитель _____
(подпись) (И.О.Фамилия)

М.П.

(дата)



Annex No 2

Проектные предложения
и характеристики проектов (программ)
международной технической помощи

1. Наименование проекта (программы):		
2. Сроки и длительность (месяцев):		
3. Исполняющая (головная) организация:		
4. Получатели международной технической помощи:		
5. Донор международной технической помощи:		
6. Цели:		
7. Задачи:		
8. Краткое обоснование:		
9. Краткий план (стратегия) деятельности по проекту:		
10. Формы оказываемой помощи (консультативная помощь, обучение, стажировки, оборудование, материалы и другая техническая помощь):		
11. Ожидаемые результаты:		
12. Объем финансирования (доллары США/Евро):		
Наименование статей расходов	Финансирование за счет	
	Доноров	Собственных средств
Расходы по найму сотрудников в Республике Беларусь		
Расходы по найму международных консультантов		
Расходы на проведение семинаров, совещаний, конференций, круглых столов и стажировок		
Расходы на оборудование		
Расходы на вспомогательные материалы		
Командировочные расходы: по Республике Беларусь в иностранные государства		
Разное (с детализацией):		
Итого:		
13. Контактное лицо: _____ Ф.И.О., должность, телефон, адрес эл. Почты		

Утверждено (кем): _____ Ф.И.О., должность, подпись
М.П. _____ Дата _____



Annex No 3

Получатель международной технической помощи (УНП, наименование, адрес, тел.)				
Поставщик товаров (работ, услуг) проекта (программы) международной технической помощи (УНП, наименование, адрес, тел.) <i>(заполняется в случае ввоза товаров на таможенную территорию Республики Беларусь поставщиком)</i>				
Проект (программа) международной технической помощи				
Дата и номер регистрации проекта (программы) международной технической помощи в Министерстве экономики Республики Беларусь				
Настоящим подтверждается, что товары (имущество, в том числе денежные средства), работы и услуги, предоставляются для осуществления проектов (программ) международной технической помощи				
№ п/п	Наименование товаров (имущества, в том числе денежных средств), работ и услуг	Единица измерения	Количество	Стоимость (валюта)
Руководитель получателя/поставщика		Главный бухгалтер получателя/поставщика		
Подпись _____		Подпись _____		
_____		_____		
(И.О.Фамилия)		(И.О.Фамилия)		
М.П.				
Номер и дата протокола заседания Комиссии по вопросам международного технического сотрудничества при Совете Министров Республики Беларусь		Секретарь Комиссии		
		Подпись _____		
		(И.О.Фамилия)		
от «__» _____ 20__ г. № _____		М.П.		

Форма заполняется шрифтом Times New Roman, 14 pt (без выделений и курсива)



Annex No 4

ПРОЕКТ

Совет Министров
Республики Беларусь

ПОСТАНОВЛЕНИЕ

« ____ » _____ 20__ г.

№ ____

г. Минск

Об одобрении проекта
международной технической помощи

Совет Министров Республики Беларусь ПОСТАНОВЛЯЕТ:

1. Одобрить на основании предложений Комиссии по вопросам международного технического сотрудничества при Совете Министров Республики Беларусь (протокол от «_» _____ 200__ г.

№ ____/_____) проект международной технической помощи «_____».

2. Настоящее постановление вступает в силу со дня его принятия.

Премьер-министр
Республики Беларусь



Annex No 5

Финансово-экономическое обоснование

к проекту _____
(наименование проекта нормативного правового акта)

I. Изменение величины доходов _____
(наименование бюджета, внебюджетного фонда)

Доходы бюджета в соответствии с классификацией доходов	Код по бюджетной классификации		Увеличение / уменьшение величины доходов бюджета (+/-), млн.руб			
	раздел	подразделение	в 20__ г.	в 20__ г.	в 20__ г.	в 20__ г.
По структурному элементу 1, в том числе:						
...						
По структурному элементу 2, в том числе:						
...						
и так далее						
ВСЕГО						

II. Изменение величины расходов _____
(наименование бюджета, внебюджетного фонда)

Расходы бюджета в соответствии с классификацией расходов	Код по бюджетной классификации		Увеличение / уменьшение величины расходов бюджета (+/-), млн.руб			
	статья	подстатья	в 20__ г.	в 20__ г.	в 20__ г.	в 20__ г.
По структурному элементу 1, в том числе:						
...						
По структурному элементу 2, в том числе:						
...						
и так далее						
ВСЕГО						



III. Изменение величины источников финансирования дефицита _____
(наименование бюджета, внебюджетного фонда)

Источники финансирования дефицита бюджета в соответствии с классификацией финансирования дефицита бюджета	Код по бюджетной классификации			Увеличение / уменьшение источников финансирования дефицита бюджета (+/-), млн.руб			
	статья	подстатья	детализация	в 20__ г.	в 20__ г.	в 20__ г.	в 20__ г.
По структурному элементу 1, в том числе:							
...							
По структурному элементу 2, в том числе:							
...							
и так далее							
ВСЕГО							

IV. Пояснения по разделам I - III финансово-экономического обоснования _____

V. Оценка иных последствий принятия, реализации нормативного правового акта (в отношении юридических и физических лиц, включая индивидуальных предпринимателей)

VI. Выводы _____

Руководитель _____

(подпись) (инициалы, фамилия)

«__» _____ 20__ г.



Annex No 6

Отчет о ходе реализации проекта (программы) международной технической помощи

Наименование и код проекта (программы)
Регистрационный номер и дата его присвоения
Получатель проекта (программы)
Донор проекта (программы)
Сектор реализации (согласно приоритетам в
международной технической помощи Республике Беларусь)
Отчетный период

1. Финансирование проекта (программы):

Источник финансирования	Общий бюджет проекта (программы)	Фактические расходы за отчетный период	Расходы проекта от начала реализации	Степень реализации (процентов)

2. Затраты за отчетный период:

Наименование затрат	Стоимость (Евро)
Оплата работы иностранного персонала	
Оплата работы национальных экспертов и консультантов	
Закупка оборудования и других товаров	
Закупка работ или услуг	
Проведение конференций, семинаров, "круглых столов"	
Проведете обучающих семинаров и тренингов	
Другие расходы	

3. Достигнутые результаты:

Цели, задачи и мероприятия отчетного периода	Достигнутые результаты

4. Факторы, препятствующие или способствующие достижению целей проекта (программы) международного технического сотрудничества:

Руководитель _____ (подпись) _____ (И.О.Фамилия)

МП. _____
(дата)



Annex No 7

Заключение о проведенной комплексной экспертизе хода реализации проекта (программы) международной технической помощи и его эффективности

Регистрационный номер	Дата
Наименование и код проекта (программы)	
Регистрационный номер и дата его присвоения, а для проектов (программ), регистрация которых признана недействительной, - дата принятия соответствующего решения	
Получатель проекта (программы)	
Донор проекта (программы)	
Руководитель проекта (программы)	
Сектор реализации (согласно приоритетам в международной технической помощи Республике Беларусь)	
Дата начала реализации проекта (программы)	
Дата завершения реализации проекта (программы)	
Дата и место проведения комплексной экспертизы	
Дата проведения предыдущей комплексной экспертизы	
Финансирование проекта:	
бюджет проекта (программы) (долларов США)	
в том числе:	
доноры проекта (программы)	
софинансирование (с разбивкой по источникам)	
плановое финансирование (долларов США) проекта (программы) на дату проведения экспертизы	
в том числе:	
доноры проекта (программы)	
софинансирование	
фактическое перечисление средств на единый счет проекта (программы) (долларов США) на дату проведения экспертизы	
в том числе:	
доноры проекта (программы)	
софинансирование (с разбивкой по источникам)	
фактические расходы на дату проведения экспертизы (долларов США)	
в том числе:	
доноры проекта (программы)	

софинансирование (с разбивкой по источникам)	
Степень освоения средств (проценты)	
В том числе:	
доноры проекта (программы)	
софинансирование	
Степень отклонения от выполнения планового финансирования (проценты)	
В том числе:	
доноры проекта (программы)	
софинансирование	

Произведенные затраты на дату проведения экспертизы:

Наименование затрат	Выполнение плановых затрат (проценты)		Стоимость (долларов США)	
	средства доноров	софинансирование	средства доноров	Софинансирование
Иностраный персонал				
Национальные эксперты и консультанты				
Закупка оборудования и других товаров				
Закупка работ или услуг				
Проведение конференций, семинаров, "круглых столов"				
Проведение обучающих семинаров и тренингов				
Другие расходы				

Достигнутые результаты на дату проведения экспертизы:

Целевые показатели проекта (программы)	Выполнено	Не выполнено	Примечания и пояснения
Цель			
Задачи			
Планируемые результаты			

Оценка экспертной группы эффективности хода реализации проекта (программы):

	Наименование показателя	Балл
1.	Достижение целей	
2.	Достижение конкретных результатов	
3.	Ожидаемая устойчивость	



4.	Полезность результатов	
5.	Деятельность национального координатора	
6.	Деятельность руководителя	
7.	Деятельность персонала дирекции	
8.	Деятельность донора (доноров)	
9.	Деятельность получателя	
10	Деятельность организаций-партнеров	
	ИТОГО	

Примечание. Выставляются баллы: 5 - отлично; 4 - хорошо; 3 - в общем удовлетворительно; 2 - имеются отрицательные аспекты; 1 -неудовлетворительно.

Выводы:

1. Достижение целей Замечания: Предложения и рекомендации:
--

2. Достижение конкретных результатов Замечания: Предложения и рекомендации:

3. Ожидаемая устойчивость Замечания: Предложения и рекомендации:
--

4. Полезность результатов Замечания: Предложения и рекомендации:
--

5. Деятельность национального координатора Замечания: Предложения и рекомендации:

6. Деятельность руководителя Замечания: Предложения и рекомендации:

7. Деятельность персонала дирекции Замечания: Предложения и рекомендации:

8. Деятельность донора (доноров) Замечания: Предложения и рекомендации:

9. Деятельность получателя Замечания: Предложения и рекомендации:



10. Деятельность организаций-партнеров Замечания: Предложения и рекомендации:

Проведенные консультации

Наименование организации	фамилия, имя, отчество, должность	Дата

Рекомендации экспертной группы <*>:

1. Признать ход реализации проекта (программы) международной технической помощи эффективным.
2. Признать ход реализации проекта (программы) международной технической помощи в целом эффективным, но требующим корректировки в соответствии с замечаниями и предложениями экспертной группы.
3. Признать регистрацию проекта (программы) недействительной.

<*> Нужно подчеркнуть.

Экспертная группа в составе:

Председателя экспертной группы

(должность)	(подпись)	(И.О.Фамилия)
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Членов группы:

(должность)	(подпись)	(И.О.Фамилия)
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Независимых экспертов:

(должность)	(подпись)	(И.О.Фамилия)
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